

HOUSE BILL 2034
By McKee

AN ACT to amend Tennessee Code Annotated, Title 47
and Title 53, relative to the sale of prescription
drugs.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 47, Chapter 18, Part 1, is amended by
adding the following as a new section:

Section 47-18-126.

(a) After July 1, 2005, no drug manufacturer, as such term is defined in
subsection (d), wholesale distributor of drugs, or any subsidiary controlled by
such manufacturer or distributor may enter into any agreement to sell any
prescription drug in this state that provides for selling prescription drugs at a
higher price than the seller offers for such drug in any other foreign nation.

(b) A violation of subsection (a) by the seller shall be an unfair and
deceptive act under this chapter.

(c) The provisions of this section shall not apply to contracts entered into
prior to the effective date of this act.

(d) "Drug manufacturer" means any entity located within or outside
Tennessee that is engaged in:

(i) the production, preparation, propagation, compounding,
conversion, or processing of prescription drug products, either directly or
indirectly by extraction from substances of natural origin, independently
by means of chemical synthesis, or by a combination of extraction and
chemical synthesis; or

(ii) the packaging, repackaging, leveling, labeling, or distribution of prescription drug products. "Drug manufacturer," however, does not include a wholesale distributor of drugs or a retail pharmacy licensed under Tennessee law.

SECTION 2. This act shall take effect July 1, 2005, the public welfare requiring it.